

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Telephone Number Portability)	CC Docket No. 95-116
)	
CTIA Petitions for Declaratory Ruling on)	
Wireline-Wireless Porting Issues)	
_____)	

**REPLY COMMENTS OF THE
UNITED STATES TELECOM ASSOCIATION**

The United States Telecom Association (“USTA”),¹ submits its reply comments through the undersigned and pursuant to the Federal Communications Commission’s (“FCC’s or Commission’s”) Telephone Number Portability proceeding, Second Further Notice of Proposed Rulemaking (“NPRM”).² The NPRM stems from the North American Numbering Council’s (“NANC”) feasibility assessment reducing the time interval for intermodal porting.³

INTRODUCTION AND SUMMARY

On May 3, 2004, the NANC submitted a report to the Commission that provided several options for shortening the intermodal porting interval. After considering these options, the NANC proposed a method that would reduce the intermodal porting interval by almost 45 percent, from 96-hours to 53-hours. The FCC has issued a Second Further Notice of Proposed Rulemaking seeking comment on the NANC’s feasibility assessment to reduce the time interval for intermodal porting.

The NANC’s proposal shortens the intermodal porting interval by just one business day—a proposal which does not warrant the significant costs associated with changing the

¹ USTA is the Nation’s oldest trade organization for the local exchange carrier industry. USTA’s carrier members provide a full array of voice, data and video services over wireline and wireless networks.

² See *Telephone Number Portability*, Second Further Notice of Proposed Rulemaking, CC Docket No. 95-116 (Sept. 16, 2004) (NPRM).

wireline porting interval. The NANC's feasibility assessment admits that it did not fully consider carrier cost, cost recovery or technical feasibility (current equipment or network architecture). In addition, there is not adequate evidence that consumer demand for intermodal number portability exists today. The NANC's approach is substantially burdensome, uneconomic, and anticompetitive for incumbent local exchange carriers ("ILECs").

DISCUSSION

The commission should not shorten the intermodal porting interval for wireline carriers because issues exist over cost, cost recovery and technical feasibility of the NANC's C2/A3 approach. Since 1997, wireline carriers have been porting numbers for simple ports within four business days. The NANC's C2/A3 approach shortens the intermodal porting interval by just one business day.⁴ The Commission must examine the potential costs associated with shortening the porting interval across the industry and weigh those costs against the benefit of shortening the porting interval by one business day, especially in instances where a carrier has received requests for few, if any, intermodal ports. The number of intermodal ports since November 2003 (when wireless carriers were required to begin porting numbers) is only approximately 4 percent across the wireline and wireless industries.⁵ The lower-than-anticipated volume of intermodal porting requests supports the conclusion that the consumer benefit associated with reducing

³ Intermodal porting in the context of this proceeding is between wireline and wireless carriers.

⁴ In order to achieve the reduction in the intermodal porting interval, the NANC proposed the combined C2/A3 approach. The NANC considered the combined C2/A3 approach to be the most promising to reduce the porting interval to 53-hours. When porting orders are received in a mechanized manner, the C2 approach requires that porting orders be responded to in five hours or less. The A3 approach requires that the ten digit triggers be set a full day before the 12:01 a.m. confirmed due date.

⁵ This approximation is based on data provided to USTA by its carrier members. Approximately 14 million competitive ports have been done in the last year, of which roughly 500,000 were intermodal.

porting intervals simply does not justify the cost and time required for carriers to make necessary systems modifications.⁶

The NANC estimates that the proposal to implement a 53-hour intermodal porting interval would cost each of the 10 major carriers approximately \$5 million (a total of \$50 million industry-wide) and take up to 24 months.⁷ This estimate is far below what USTA member companies believe the actual cost to be. “Verizon’s own preliminary estimates suggest that it alone would have to spend tens of millions of dollars in hardware, software, and labor costs to upgrade its network to achieve a 53-hour intermodal porting interval.”⁸ At the current level of intermodal porting, Frontier and Citizens estimate that their costs would be “nearly \$1,300” per intermodal port if the interval is changed.⁹ Moreover, according to the U.S. Small Business Administration the approximate cost to implement the NANC’s C2 approach could be as much as \$100,000 for each small and rural telephone company.¹⁰ It is clear that a savings of one business day does not warrant the significant costs which result from changing the wireline porting interval.

If, however, the Commission were to shorten the porting interval, it must provide ILECs with a cost recovery mechanism. ILECs do not have the ability to absorb these costs without becoming competitively disadvantaged in the marketplace. The FCC has determined that the “only permissible method for incumbent LECs to recover their LNP costs is through an end-user charge.”¹¹ This cost recovery mechanism is especially burdensome on small and rural telephone companies that do not have a large customer base, which limits their ability to pass potentially

⁶ Comments of BellSouth Corporation at 5 (BellSouth).

⁷ See NPRM at ¶ 17 (citing the NANC at 21).

⁸ Comments of Verizon Communications Inc. at 4 (Verizon).

⁹ Comments of the Frontier and Citizens ILECs at 7.

¹⁰ Comments of the Office of Advocacy, U.S. Small Business Administration at 4 (SBA).

astronomical intermodal porting costs of to the end-user. In addition, per the Commission's 1997 cost recovery mechanism, a "shorter porting interval was neither a part of the 1997 LNP process flows nor a part of industry design."¹² Given the enormous cost that ILECs will incur if the porting interval is shortened, the Commission must allow ILECs a real-time cost recovery mechanism.

The Commission should allow carriers to recoup new intermodal local number portability ("LNP") costs in real time, not at the end of a five-year recovery period. By permitting a real time cost recovery mechanism, ILECs will be able to compete against providers that are not constrained by the Commission's LNP cost recovery rules. If the Commission were not to allow real time cost recovery, ILECs would be "at a significant competitive disadvantage – in clear violation of the statute's competitive neutrality mandate and Commission precedent."¹³

Finally, in order to respond to an order in 5-hours, the C2 approach requires a mechanized interface that would need to be consistent across the industry. Many small and rural companies do not have automated systems and have "developed manual systems that better fit their customer base and needs."¹⁴ In addition, the 5-hour port response interval can only result "[t]o the extent that the mechanized interface obviates the need for the order to be retyped manually on the receiving end."¹⁵ Whether a 5-hour port response interval can actually come about depends in large part on whether the provider has a mechanized interface and whether the order is error free.

¹¹ See BellSouth at 11 (citing *Telephone Number Portability*, 13 FCC Rcd 11701 (1998)).

¹² NANC at 24-25.

¹³ BellSouth at 11.

¹⁴ SBA at 4.

¹⁵ *Id.* at 16.

Further, the Commission misconstrues the NANC's statement regarding local service ordering guidelines ("LSOG"). The NANC's states that "the industry *may consider* establishing one common LSOG version (a uniform format and exchange of information) and a single mechanized interface"¹⁶ The Commission erroneously regards the NANC's LSOG suggestion as a recommendation for a single mechanized interface. "The NANC did not tie" the C2 proposal to a single mechanized interface for the industry.¹⁷

The Commission should not mandate the use of one common LSOG version for porting to facilitate a reduction in the confirmation interval. Currently, based on their business needs, each local exchange carrier may choose a different LSOG version to process consumer updates, including porting.¹⁸ A carrier should have the right to use the "LSOG version that best suits its business needs and the needs of the carrier with which it must exchange information."¹⁹ It is far more important that carriers learn each others' business rules and practices than use a single common LSOG. "A company's business rules describe in detail the processes and procedures required to exchange information between carriers in order to facilitate processing service orders, including LNP requests."²⁰ Thus, USTA believes that familiarity with a company's business rules and industry guidelines outweigh the use of a common LSOG.

Moreover, it would be extremely burdensome to require carriers to modify their LSOG and accommodate every new version subsequently released. Whenever a carrier adopts a new version of LSOG, it must modify Operational Support Systems ("OSS") to accommodate new fields and formats. Each new version requires testing both internally and externally to ensure

¹⁶ NANC Report at 28.

¹⁷ SBC Comments at 4.

¹⁸ *Id.*

¹⁹ BellSouth at 12.

²⁰ *Id.*

that other providers can access an ILEC's OSS. "And while the NANC did indicate that a new, common LSOG could yield efficiencies, it declined to specifically recommend such a drastic and time-consuming solution, precisely because it recognized there would be significant expense and burden to the industry" ²¹ In many instances, small and rural ILECs lack the mechanized equipment crucial to shortening the time to complete an intermodal port. It would be unconscionable to require small and rural carriers that have received requests for few, if any, intermodal ports to purchase OSS equipment to facilitate these ports.

CONCLUSION

For the foregoing reasons, USTA urges the Commission not to shorten the ILEC intermodal LNP porting interval.

Respectfully submitted,



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²¹ SBC at 5.